



October 4, 2017
Via Email and FedEx

Advanced Contracting Solutions LLC
1160 Commerce Avenue Frnt 1
Bronx, NY 10462

Attn: Dave McGrath

RE: 42 Trinity Place, New York, NY ("Project")
Subcontract Agreement #: L07130-00003-000 ("Subcontract")
48-Hour Notice & Demand for Adequate Assurance

Dear Mr. McGrath:

Gilbane Residential Construction LLC ("Gilbane") has become aware of the recent "Findings of Fact, Conclusions of Law, and Verdict" in the matter of Terrence Moore, et al. v. Navillus Tile, Inc., et al. filed on September 20, 2017 ("Verdict"). In that Verdict, the Court found that Plaintiffs shall have a judgment against Advanced Contracting Solutions LLC ("ACS") (and others) for tens of millions of dollars. ACS has advised Gilbane that ACS has filed certain applications to stay and/or reduce the Verdict for purposes of a potential appeal, which may be decided as early as Friday, October 6, 2017. ACS advised Gilbane that — if ACS is granted its requested relief — ACS will be financially (and otherwise) able to perform its obligations under the referenced Subcontract. However, at this time (and until such requested relief is granted in full) ACS is, or will imminently become, insolvent. Please be advised that, under Section 9.4 of its Subcontract, it is a "breach" (or default) when and if ACS has: "become insolvent, enter[s] bankruptcy either voluntarily or involuntarily, [or has] a receiver appointed or make[s] an assignment for the benefit of creditors;" or "materially change[s] its financial condition, transfer[s] any material assets, change[s] control or management without Construction Manager's prior written consent...." In short, and based on the advice given to Gilbane by ACS, unless ACS is granted the relief it seeks on Friday, October 6, 2017, ACS will be unable to perform this Project. Further, ACS' representation that it is insolvent, absent that court relief, may be deemed to be a breach/default under the Subcontract. Gilbane reserves all rights and remedies under the Subcontract.

In addition, in light of the Verdict and above circumstances, Gilbane formally requests adequate assurances of ACS's ability to perform the Subcontract – at the Subcontract price. Moreover, the Verdict raises concerns and issues with respect to ACS's corporate status as represented to Gilbane at the time of Subcontracting, and its ability to perform its Subcontract pursuant to its terms and conditions. If true as found by the Court, the ACS financial conditions, material assets and management control also may not be as represented. In the event that ACS cannot provide such adequate assurances, Gilbane further reserves all of its rights and remedies.

In accordance with the Subcontract, ACS has 48 hours to cure this material breach and provide such assurances or it is in default.

Again, Gilbane reserves all rights and remedies.

Very truly yours,



John Giannarella

Senior Project Executive

cc: A. Sosa, D. Naber, M. Santos, G. Jasina, M. Davis, R. Warnke, M. Rittler, R. Van Akin